

Kansas Health Care Stabilization Fund

Instructions for Non-Resident Health Care Providers Licensed to Practice in Kansas Effective July 1, 2014

Introduction

The Kansas Health Care Stabilization Fund requirements first became effective on July 1, 1976 pursuant to the Kansas Health Care Provider Insurance Availability Act. This 1976 enactment included the following major provisions:

- mandated a basic professional liability insurance requirement for resident and non-resident health care providers;
- established an Availability Plan to provide the required basic professional liability insurance for those resident and non-resident health care providers who could not obtain the coverage from commercial insurers; and
- created the Health Care Stabilization Fund to provide supplemental professional liability coverage for all health care providers who practice in Kansas.

Non-resident health care providers who have an active license to practice in Kansas are required by law to comply with the basic professional liability insurance requirement and also participate in the Health Care Stabilization Fund. These health care providers are Medical Doctors, Doctors of Osteopathic Medicine, Chiropractors, Nurse Anesthetists, and Podiatrists who have an active license to render professional services in Kansas. **Effective January 1, 2015, this will also include Nurse Midwives and Physician Assistants.**

Non-resident nurse midwives and physician assistants are encouraged to submit the certification form, certificate of insurance, and surcharge payment prior to January 1, 2015 in order to assure they are in compliance with the law. If a nurse midwife or physician assistant has an active license to render services in Kansas, but is no longer practicing in Kansas, they should contact their licensing agency to inquire about options available to them.

Non-resident health care providers who obtain their required basic coverage from the Kansas Health Care Provider Insurance Availability Plan (the Plan), instead of a commercial insurance company, may not need to comply with the instructions in this brochure. Contact the Plan's servicing carrier to assure that your surcharge has been paid and you are already in compliance with Kansas law.

Most non-resident health care providers who are licensed to practice in Kansas will already have adequate professional liability insurance coverage to comply with the minimum required by Kansas law. It will then be necessary to complete the Health Care Provider Insurance Availability Act Non-Resident Health Care Provider Certification Form. The completed form will then need to be submitted along with a certificate of insurance and surcharge payment to the Kansas Health Care Stabilization Fund.

Tail Coverage

As a result of legislation that became law July 1, 2014, health care providers who practice in Kansas are provided the equivalent of an extended reporting endorsement when they inactivate their Kansas licence and discontinue compliance with the Health Care Provider Insurance Availability Act.

It will not be necessary for inactive health care providers to make payment for continued liability coverage under the Health Care Stabilization Fund when they discontinue their Kansas practice and inactivate or cancel their license.

Intermittent Health Care Providers and Locum Tenens

Some non-resident health care providers practice in Kansas intermittently or on a part time basis. It is important to recognize that as long as the health care provider maintains an active license to render services in Kansas, he or she must also maintain compliance with the Health Care Provider Insurance Availability Act. In other words, it is necessary to maintain continuous professional liability insurance coverage and continuous participation in the Health Care Stabilization Fund. In this case, the health care provider must estimate to the best of his or her ability, their Kansas practice as a ratio of their total practice. Different methods may be used, for example, the hours worked in Kansas compared to total hours, the number of patients in Kansas compared to the total number of patients, or the number of procedures or surgeries performed in

Kansas compared to the total number. Another acceptable ratio is the amount of income earned in Kansas compared to total income.

The law allows a special exception from the claims-made policy requirement for locum tenens who will render services in Kansas for less than a six month period. Those temporary locum tenens may be insured under an occurrence policy. In this case, the ratio of Kansas practice is obviously the number of days the locum tenens will be assigned to practice in Kansas divided by 365.

The locum tenens health care provider will need to convert his or her license to inactive status following the temporary assignment. Otherwise, he or she will need to obtain a claims-made professional liability policy and maintain continuous insurance coverage as well as HCSF coverage as described above.

General Guidelines

1. It is the responsibility of the non-resident health care provider to comply with the Kansas Health Care Provider Insurance Availability Act. If you have been a resident health care provider, and you are now a non-resident health care provider, the compliance requirements will no longer be handled by your commercial insurance company. A copy of the required form is appended to this document. The form can be downloaded from the HCSF website, can be completed on a computer, and then can be printed.

2. A Certificate of Insurance from the basic professional liability carrier is required for each Fund submission. Section 3 of the certification form requires the name of the insurance company and certain policy information. The insurance company listed in this section must be authorized (admitted) to do business in Kansas. If it is not an authorized (admitted) Kansas insurance company, then a non-admitted insurance company may be used if that non-admitted insurer has filed a Declaration of Compliance Form with the Kansas Health Care Stabilization Fund. The insurance agent or company representative should be able to assist in making these determinations, but if there is a question about the status of the basic coverage insurer in Kansas, you may wish to contact the HCSF office for assistance.

3. You should furnish your basic coverage insurance company with information regarding prior Kansas practice periods along with your current plans to practice in Kansas as a non-resident health care provider.

4. Professional liability insurance being provided to non-resident health care providers by a self-insurer will not meet the basic coverage requirements of the Kansas Health Care Provider Insurance Availability Act. It will be necessary to purchase basic coverage for the Kansas practice and pay the applicable surcharge to the Health Care Stabilization Fund.

5. Each health care provider is required to pay a minimum surcharge of \$50.00 per compliance period.

6. There is an electronic compliance form available at www.hcsf.org that may be completed on-line and then be submitted directly to the Fund office. A digital image of a certificate of insurance can be submitted as an attachment to the electronic compliance form. In addition, there is another website hosted by Kansas.gov called "KanPay" that allows on-line payment of HCSF surcharges. A link to KanPay is provided at the HCSF website. In the event that a non-resident health care provider needs to expedite compliance, the electronic option may be the most expedient method available.

Health Care Stabilization Fund Surcharge Rating Classification System

HCSF CLASS GROUPS	CLASS GROUP DESCRIPTIONS – <i>Important Note: Non-resident health care providers insured by the Kansas Health Care Provider Insurance Availability Plan (Plan) will be processed into compliance by the Plan. Please refer to the table at the bottom of this page for additional information.</i>
PHYSICIANS AND SURGEONS (M.D. & D.O.)	
1	Physicians - No Surgery - Includes: Allergy, Dermatology, Forensic Medicine, Legal Medicine, Pathology, Psychiatry (both adult and child), Psychoanalysis, Psychosomatic Medicine, or Public Health.
2	Physicians - No Surgery - Includes: Aerospace Medicine, Cardiovascular Disease, Diabetes, Endocrinology, Family Practice, Gastroenterology, General Practice, General Preventive Medicine, Geriatrics, Gynecology, Hematology, Hypnosis, Infectious Diseases, Internal Medicine, Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Nuclear Medicine, Nutrition, Occupational Medicine, Ophthalmology, Otolaryngology, Otorhinolaryngology, Pediatrics, Pharmacology, Psychiatry, Physical Medicine & Rehabilitation, Pulmonary Diseases, Radiology, Rheumatology, Rhinology, Urgent Care Physicians or other Physicians who are not performing surgery and are not otherwise classified.
3	Physicians Performing Minor Surgery or Assisting in Surgery - Includes: Cardiovascular Disease, Dermatology, Diabetes, Endocrinology, Family Practice (no obstetrics), Gastroenterology, General Practice, Geriatrics, Gynecology, Hematology, Infectious Diseases, Internal Medicine, Intensive Care Medicine, Invasive Procedures (as defined and classified by the basic coverage insurer), Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Ophthalmology (including minor and major surgery), Otolaryngology, Otorhinolaryngology, Pathology, Pediatrics, Radiology, Rhinology, Shock Therapy or other Physicians who are performing minor surgery and are not otherwise classified.
4	Family Physicians or General Practitioners Performing Minor Surgery or Assisting in Surgery - Includes obstetrical procedures, but not cesarean sections.
5	Surgical Specialists - Includes: Broncho-Esophagology, Colon and Rectal, Endocrinology, Gastroenterology, Geriatrics, Neoplastic, Nephrology, Urological, Family Physicians or General Practitioners performing major surgery.
6	Surgical Specialists - Includes: Emergency Medicine (no major surgery), Laryngology, Otolaryngology, Otorhinolaryngology, or Rhinology.
7	Specialists in Anesthesiology - Includes: Physicians or DDS certified by the Board of Healing Arts to administer anesthetics.
8	Surgical Specialists - Includes: Emergency Medicine (including major surgery), Abdominal, Bariatric, Gynecology, Hand, Head and Neck, Plastic (Otorhinolaryngology), Plastic (Not Otherwise Classified), or General (This classification does not apply to any primary care physician or specialist who occasionally performs major surgery).
9	Surgical Specialists - Includes: Cardiac, Cardiovascular Disease, Orthopedic, Thoracic, Traumatic, or Vascular.
10	Surgical Specialists - Includes: Obstetrics, Obstetrics & Gynecology, Perinatology.
11	Surgical Specialists - Neurology (both adult and child).
OTHER HEALTH CARE PROVIDERS	
12	Chiropractors
13	Nurse Anesthetists
14	Podiatrists
15	All health care providers insured by the Health Care Provider Insurance Availability Plan
21	Physician Assistants
22	Nurse Midwives

HCSF surcharge rate worksheet for non-resident health care providers

If you need assistance completing the non-resident Kansas Health Care Stabilization Fund compliance form or need assistance calculating the Fund surcharge payment, please send an electronic mail message to hcsf@hcsf.org and your question will be routed to the appropriate member of the staff. You may also send your questions via fax message to (785) 291-3550.

This form is for calculation purposes only and is not to be returned to the Health Care Stabilization Fund. Please keep this form for your records.

HCSF CLASSIFICATION GROUPS 1 – 14

Use the following worksheet to calculate the Fund surcharge owed

- Step 1. On page 3 of these instructions find the Fund Classification Group which best describes the professional services you will render in Kansas. All health care providers who obtain their basic professional liability insurance from the Health Care Provider Insurance Availability Plan are assigned Fund Class Group 15. Write your Fund Class Group here: _____
- Step 2. Determine the number of years you have been paying surcharges to the Kansas Health Care Stabilization Fund. Write that number here: _____
- Step 3. Determine the level of Health Care Stabilization Fund coverage limits desired and enter the option number from the HCSF surcharge tables here: _____ **(Once you have selected a Fund coverage limit, you may not increase that Fund coverage limit unless you apply for and receive approval from the Board of Governors.)**
- Step 4. From the HCSF surcharge rate tables find the Health Care Stabilization Fund annual surcharge amount based on your Fund Class Group and the number of years that you have been participating in the Fund. Write that amount on the next line below.
- \$ _____ Annual Surcharge for provider Fund Class Group, years of Fund compliance and selected Health Care Stabilization Fund coverage limit. (Refer to the applicable rate table).
- X _____ % Kansas practice as a percent of the total professional practice (not less than 1%).
- \$ _____ HCSF surcharge amount due (**Minimum** surcharge payment per compliance period is **\$50.00**).

HCSF CLASSIFICATION GROUPS 15, 21, and 22

Use the following worksheet to calculate the Fund surcharge owed

- Step 1. On page 3 of these instructions find the Fund Classification Group which best describes the professional services you will render in Kansas. All health care providers who obtain their basic professional liability insurance from the Health Care Provider Insurance Availability Plan are assigned Fund Class Group 15. Write your Fund Class Group here: _____
- Step 2. Determine the level of Health Care Stabilization Fund coverage limits desired and enter the option number from the HCSF surcharge tables here: _____ **(Once you have selected a Fund coverage limit, you may not increase that Fund coverage limit unless you apply for and receive approval from the Board of Governors.)**
- Step 3. Determine the amount of annual insurance premium paid for basic professional liability insurance purchased from your insurance company or the Availability Plan. Enter that amount here \$ _____
- Step 4. Identify the appropriate percentage surcharge rate based on the Fund Class Group and the coverage option selected and enter the percentage rate here: _____ %
- Step 5. Multiply the annual premium in step 3 by the percentage rate in step 4. Write that amount on the next line below.
- \$ _____ Annual Surcharge for provider Fund Class Group, years of Fund compliance and selected Health Care Stabilization Fund coverage limit. (Refer to the applicable rate table).
- X _____ % Kansas practice as a percent of the total professional practice (not less than 1%).
- \$ _____ HCSF surcharge amount due (**Minimum** surcharge payment per compliance period is **\$50.00**).

HEALTH CARE STABILIZATION FUND CERTIFICATION PROCEDURES
For Non-Resident Health Care Providers with an Active License to Render Professional Services in Kansas
Effective July 1, 2014

Only individual non-resident health care providers (no out-of-state professional corporations, hospitals, clinics or other entities) are required or eligible to comply with the Kansas Health Care Providers Insurance Availability Act.

Section	Instructions
1.	Make certain that the name on the certification form is the same as the name indicated on the health care provider's Kansas license. The health care provider's correct home address (legal domicile) must be indicated. A separate mailing address may also be listed.
2. A.	Identify the year of the health care provider's participation in the Fund. If the certification is the first one, obviously it will be the first year of compliance. If necessary you may contact the HCSF office by sending a message to hcsf@hcsf.org to inquire about the year of compliance.
2. B.	Initial selection of one of the Fund coverage limits or subsequent selection of lower Fund coverage limit <u>requires</u> the signature of the health care provider on the Fund nonresident certification form. The Fund coverage limit <u>may be increased only by submitting</u> a signed Request For Increased Coverage Limits Form to the Health Care Stabilization Fund Board of Governors.
3.	The information provided in this section of the form should be consistent with the certificate of insurance submitted along with the form.
4.	Follow the instructions in the HCSF surcharge rate worksheet to determine the appropriate amount of annual surcharge and the ratio of Kansas practice. Multiply the annual HCSF surcharge by the ratio of Kansas practice to calculate the net payable HCSF surcharge. Amounts of <i>49 cents</i> or less must be rounded down to the next lowest whole dollar. Amounts of <i>50 cents</i> or more must be rounded up to the next highest whole dollar.
5.	A minimum \$50.00 HCSF surcharge payment per compliance period is required.

Please note:

A copy of the current Certificate of Insurance for the basic professional liability insurance is required with each submission. Failure to submit a copy of the Certificate of Insurance will delay certification until one is received.

Return the completed form with certificate of insurance and surcharge payment to:

Kansas Health Care Stabilization Fund
300 S.W. 8th Avenue, 2nd Floor
Topeka, Kansas 66603-3912

Health Care Stabilization Fund Surcharge Rates (Effective July 1, 2014 - June 30, 2015)

OPTION 1*

[\$100,000 per claim subject to \$300,000 annual aggregate limit]

<u>Fund Class Group</u>	<u>General Description</u>	<u>1st Year of Fund Compliance</u>	<u>2nd Year of Fund Compliance</u>	<u>3rd Year of Fund Compliance</u>	<u>4th Year of Fund Compliance</u>	<u>5th Year of Fund Compliance</u>
1	physicians	\$ 68	\$ 177	\$ 277	\$ 306	\$ 342
2	physicians	\$ 154	\$ 398	\$ 624	\$ 690	\$ 773
3	physicians	\$ 212	\$ 546	\$ 861	\$ 951	\$ 1,063
4	physicians	\$ 237	\$ 613	\$ 962	\$ 1,061	\$ 1,189
5	physicians	\$ 257	\$ 670	\$ 1,054	\$ 1,165	\$ 1,301
6	physicians	\$ 301	\$ 777	\$ 1,223	\$ 1,351	\$ 1,510
7	physicians	\$ 224	\$ 580	\$ 915	\$ 1,009	\$ 1,129
8	physicians	\$ 576	\$ 1,490	\$ 2,348	\$ 2,592	\$ 2,898
9	physicians	\$ 580	\$ 1,495	\$ 2,357	\$ 2,599	\$ 2,910
10	physicians	\$ 846	\$ 2,192	\$ 3,454	\$ 3,810	\$ 4,265
11	physicians	\$ 1,423	\$ 3,675	\$ 5,790	\$ 6,390	\$ 7,148
12	chiropractors	\$ 50	\$ 112	\$ 179	\$ 196	\$ 219
13	nurse anesthetists	\$ 75	\$ 194	\$ 303	\$ 335	\$ 378
14	podiatrists	\$ 166	\$ 429	\$ 674	\$ 745	\$ 832
15	Availability Plan	23%	23%	23%	23%	23%
16	business entities	22%	22%	22%	22%	22%
17	hospitals & A.S.C.s	22%	22%	22%	22%	22%
18	C.M.H.C.s	22%	22%	22%	22%	22%
19	psychiatric hospital	22%	22%	22%	22%	22%
20	residents in training	22%	22%	22%	22%	22%
additional classification groups as of January 1, 2015:						
21	physician assistants	22%	22%	22%	22%	22%
22	nurse-midwives	22%	22%	22%	22%	22%
23	assisted living and residential health care facilities	22%	22%	22%	22%	22%
24	nursing facilities	22%	22%	22%	22%	22%

* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

Health Care Stabilization Fund Surcharge Rates (Effective July 1, 2014 - June 30, 2015)

OPTION 2*

[\$300,000 per claim subject to \$900,000 annual aggregate limit]

<u>Fund Class Group</u>	<u>General Description</u>	<u>1st Year of Fund Compliance</u>	<u>2nd Year of Fund Compliance</u>	<u>3rd Year of Fund Compliance</u>	<u>4th Year of Fund Compliance</u>	<u>5th Year of Fund Compliance</u>
1	physicians	\$ 119	\$ 308	\$ 486	\$ 537	\$ 600
2	physicians	\$ 267	\$ 693	\$ 1,094	\$ 1,208	\$ 1,354
3	physicians	\$ 368	\$ 957	\$ 1,508	\$ 1,663	\$ 1,862
4	physicians	\$ 417	\$ 1,070	\$ 1,687	\$ 1,860	\$ 2,079
5	physicians	\$ 455	\$ 1,170	\$ 1,844	\$ 2,035	\$ 2,276
6	physicians	\$ 526	\$ 1,358	\$ 2,142	\$ 2,363	\$ 2,641
7	physicians	\$ 394	\$ 1,013	\$ 1,601	\$ 1,765	\$ 1,975
8	physicians	\$ 1,010	\$ 2,607	\$ 4,108	\$ 4,536	\$ 5,074
9	physicians	\$ 1,014	\$ 2,616	\$ 4,124	\$ 4,551	\$ 5,090
10	physicians	\$ 1,485	\$ 3,833	\$ 6,041	\$ 6,670	\$ 7,460
11	physicians	\$ 2,491	\$ 6,428	\$ 10,133	\$ 11,180	\$ 12,509
12	chiropractors	\$ 76	\$ 197	\$ 312	\$ 344	\$ 384
13	nurse anesthetists	\$ 129	\$ 337	\$ 532	\$ 586	\$ 659
14	podiatrists	\$ 290	\$ 749	\$ 1,180	\$ 1,304	\$ 1,458
15	Availability Plan	35%	35%	35%	35%	35%
16	business entities	33%	33%	33%	33%	33%
17	hospitals & A.S.C.s	33%	33%	33%	33%	33%
18	C.M.H.C.s	33%	33%	33%	33%	33%
19	psychiatric hospital	33%	33%	33%	33%	33%
20	residents in training	33%	33%	33%	33%	33%
additional classification groups as of January 1, 2015:						
21	physician assistants	33%	33%	33%	33%	33%
22	nurse-midwives	33%	33%	33%	33%	33%
23	assisted living and residential health care facilities	33%	33%	33%	33%	33%
24	nursing facilities	33%	33%	33%	33%	33%

* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

Health Care Stabilization Fund Surcharge Rates (Effective July 1, 2014 - June 30, 2015)

OPTION 3*

[\$800,000 per claim subject to \$2,400,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 150	\$ 387	\$ 610	\$ 674	\$ 753
2	physicians	\$ 340	\$ 873	\$ 1,376	\$ 1,522	\$ 1,699
3	physicians	\$ 465	\$ 1,202	\$ 1,895	\$ 2,093	\$ 2,339
4	physicians	\$ 519	\$ 1,342	\$ 2,117	\$ 2,339	\$ 2,616
5	physicians	\$ 570	\$ 1,471	\$ 2,318	\$ 2,558	\$ 2,861
6	physicians	\$ 662	\$ 1,707	\$ 2,690	\$ 2,969	\$ 3,322
7	physicians	\$ 495	\$ 1,276	\$ 2,012	\$ 2,219	\$ 2,482
8	physicians	\$ 1,270	\$ 3,278	\$ 5,166	\$ 5,699	\$ 6,377
9	physicians	\$ 1,276	\$ 3,289	\$ 5,183	\$ 5,721	\$ 6,399
10	physicians	\$ 1,869	\$ 4,820	\$ 7,596	\$ 8,387	\$ 9,379
11	physicians	\$ 3,128	\$ 8,083	\$ 12,736	\$ 14,058	\$ 15,724
12	chiropractors	\$ 95	\$ 246	\$ 389	\$ 429	\$ 481
13	nurse anesthetists	\$ 166	\$ 423	\$ 671	\$ 740	\$ 827
14	podiatrists	\$ 364	\$ 941	\$ 1,485	\$ 1,638	\$ 1,833
15	Availability Plan	40%	40%	40%	40%	40%
16	business entities	38%	38%	38%	38%	38%
17	hospitals & A.S.C.s	38%	38%	38%	38%	38%
18	C.M.H.C.s	38%	38%	38%	38%	38%
19	psychiatric hospital	38%	38%	38%	38%	38%
20	residents in training	38%	38%	38%	38%	38%
additional classification groups as of January 1, 2015:						
21	physician assistants	38%	38%	38%	38%	38%
22	nurse-midwives	38%	38%	38%	38%	38%
23	assisted living and residential health care facilities	38%	38%	38%	38%	38%
24	nursing facilities	38%	38%	38%	38%	38%

* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

Kansas Health Care Provider Insurance Availability Act
Non-Resident Health Care Provider Certification Form (July 2014)

A CERTIFICATE OF INSURANCE IS REQUIRED

Section 1 – Health Care Provider Identification and Residency

Health care provider's name:

Last name, first name, middle initial, and professional acronym

Legal residence (cannot be Kansas):

Street address, city, state, zip code, and country

Daytime phone number:

Email address:

Mailing address (if different from residence):

Street address, city, state, zip code, and country

Section 2 – HCSF Coverage and Health Care Provider Credentials

A. Health Care Stabilization Fund coverage:

Year of HCSF compliance (select one)

☐

1st yr

☐

2nd yr

☐

3rd yr

☐

4th yr

☐

≥5th yr

HCSF coverage limits (select one)

☐

\$100,000/\$300,000

☐

\$300,000/\$900,000

☐

\$800,000/\$2.4M

B. Statutory credentials:

Kansas licensing agency

Kansas

License number

Professional specialty

HCSF classification group number

Section 3 – Insurance Policy and Information *(certificate of insurance is required for each submission)*

Insurance company name:

Insurance company address:

Street address, city, state, zip code, and country

Insurance policy number:

Type of coverage:

☐

Claims made

☐

Occurrence

Renewal or effective date:

Expiration date:

Section 4 – HCSF Surcharge Calculation

Annual HCSF surcharge selected from surcharge rate tables \$ _____ or annual HCSF surcharge calculated based on commercial insurance premium multiplied by HCSF surcharge percent \$ _____. Percent of professional practice in Kansas ____ % [This ratio may be the result of the number of days for a locum tenens assignment divided by 365 days if the primary policy is short-term (six months or less), or it may be a reasonable estimate comparing the amount of patient care provided in Kansas compared to the health care provider's total professional practice during a twelve month period. The percent should be rounded to the nearest whole number and may not be less than one percent.]

HCSF Premium Surcharge Payable: \$

NOTE: The minimum surcharge payable per compliance period is \$50.

Section 5 – Health Care Provider's Certification

I hereby certify that: (1) I am maintaining a policy of professional liability insurance with limits of not less than \$200,000 per claim and \$600,000 annual aggregate coverage in accordance with the Kansas Health Care Provider Insurance Availability Act, (2) the above information is true and correct to the best of my knowledge, and (3) I will notify the HCSF Board of Governors in the event of any changes in my professional liability insurance coverage.

Signature:

Date signed:

HCSF USE ONLY